



PDC NEWS

711 Capitol Way, Room 206
Olympia Washington

Public Disclosure Commission

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Reporting Modifications

The Commission granted requests by seven out-of-state and federal committees for an exemption from filing PDC form C-5 by the statutory deadlines. The retroactive modifications allow the committees to satisfy the statutory requirements of RCW 42.17.090(1)(I) by filing monthly Federal Election Commission (FEC) reports supplemented by the state reports (PDC form C-5) filed in 2002.

A PDC C-5 report is filed when an out-of-state or federal political committee contributes to candidates or ballot measures in Washington. The report requires that all contributions given be identified and contributions received by the out-of-state or federal political committee from Washington residents be disclosed.

The Commission has the authority to grant reporting modifications if the reporting requirements work a manifestly unreasonable hardship and if the modification does not frustrate the purposes of the law.

The following committees requested and were granted a reporting modification:

- **National Republican Senatorial Committee**
- **National Republican Congressional Committee**
- **The Democratic Senatorial Campaign Committee**
- **The Democratic Congressional Campaign Committee**
- **International Brotherhood of Electrical Workers COPE**
- **DRIVE (Teamsters political committee)**
- **The Native American and Peace Officers PAC**

The reporting modifications also permit these committees to prospectively satisfy the statutory requirements by filing C-5 reports at the same time as the monthly FEC reports are filed and increase the threshold from \$25 to \$50 for disclosing the contributors from Washington.

In granting the modifications, the Commission found that all FEC reports filed by the committees were and continue to be available to the public through the FEC's website and that all of the previously delinquent C-5 reports have been filed.

The Commission also granted a retroactive reporting modification to the **Democratic National Committee** (DNC) from filing PDC form C-5. No prospective modification was sought by the DNC.

The reporting modifications provide Washington state committees that received contributions from out-of-state and federal political committees relief from forfeiture of approximately \$2.5 million in contributions made during the 2000 election cycle.

Frank Radford, candidate for Commissioner, Finn Hill Park and Recreation District, was also granted a modification from reporting the business customers of McDonald Insurance Group, Inc., a corporation of which he is a shareholder and part owner.

Enforcement Matters

In lieu of a full enforcement hearing, the Commission accepted a stipulated agreement with the **Democratic Party of Oregon** (DPO) finding a single violation of failing to timely file a PDC form C-5 for a contribution given to the **Washington State Democratic Central Committee** (WSDCC). The Commission assessed a \$1,000 civil penalty and suspended \$500 on the condition that the DPO comply with all of the provisions of chapter 42.17 RCW for a period of four years.

The Commission deferred action on a stipulated agreement between PDC staff and the WSDCC. The party central committee is charged with failure to forfeit a \$20,000 contribution received from the Oregon political party. The stipulation will be revisited at the December 4, 2002 Commission meeting.

The Commission also dismissed the allegations of violations against eleven political committees for failure to timely file C-5 reports reflecting contributions made to Washington state committees. Six of the committee dismissals were based on reporting modification requests granted by the Commission. Under the conditions of the reporting modifications, the committees were retroactively relieved from the requirements to file C-5 reports by the statutory deadline. The dismissals were for the following committees:

- **The Democratic National Committee**
- **The Democratic Senatorial Campaign Committee**
- **The Democratic Congressional Campaign Committee**
- **International Brotherhood of Electrical Workers COPE**
- **DRIVE (Teamsters political committee)**
- **The Native American and Peace Officers PAC**

The allegations against five other committees were dismissed because the committees either substantially complied or were not required to file the report.

- **The Democratic Legislative Campaign Committee**
- **Communication Workers of America POPE**
- **Ironworkers PAC**
- **International Association of Machinists Non-Partisan PAC**
- **National Committee for Effective Congress**

The Commission also dismissed the alleged violation against the WSDCC for failing to forfeit contributions it received from the above-mentioned out-of-state or federal political committees.

David Elton, candidate for City Council in the City of Spokane Valley, was found to have intentionally violated state law by failing to file a Personal Financial Affairs Statement within two weeks of becoming a candidate and was assessed a civil penalty of \$1,000 by a unanimous vote of the full Commission.

Requests for Review/Reconsideration

- The Commission vacated the violation and penalty against **Erik Pearson**, College Board Member, Western Washington University, who was found in violation of state law on June 4, 2002 for failure to file a Personal Financial Affairs Statement and assessed a civil penalty of \$150. They let stand civil penalties imposed by the Commission Chair against three other candidates found in violation for failure to file timely Personal Financial Affairs Statements. The following candidates had requested a review by the full Commission.

- **Pamela Keck**, School Director, Woodland School District #404, was found in violation of state law on June 4, 2002 and assessed a civil penalty of \$150.
- **Ronald Scholz**, City Council Member, City of Sumner, was found in violation of state law on June 4, 2002 and assessed a civil penalty of \$100.
- **Joe Wheeler**, City Council Member, City of Kelso, was found in violation of state law on July 23, 2002 and assessed a civil penalty of \$300.

A request for reconsideration of a violation and civil penalty imposed by the Commission Chair against **Larry Haskell**, City Council Member, City of Airway Heights, was vacated by the full Commission. At a Brief Enforcement Hearing held in Olympia on June 4, 2002, Haskell was found in violation of failing to timely file a Personal Financial Affairs Statement and assessed a civil penalty of \$150.

Rule Making

The Commission approved amended language to three rules designed to clarify and provide guidance on statutory provisions of state law.

- **WAC 390-16-234 Transfers of Surplus Funds** - clarifies that the proportional reimbursement of joint campaign expenses is not considered a transfer of campaign funds and that transfers of surplus or non-surplus funds may not be made to any other candidate or political committee.
- **WAC 390-17-200 Major political party organizations** - directs the political parties to notify the Commission in writing of the county and legislative districts officers.
- **WAC 390-37-030 Enforcement procedures – Status of citizen complainant and others** - clarifies the official standing of a complainant at quasi-judicial hearings and provides a time frame for submitting evidence and statements to Commission staff.

The Commission meeting materials may be found at www.pdc.wa.gov under **Commission Meetings** at **Meeting Agendas and Materials**. For additional information concerning these issues contact Doug Ellis, Director of Public Outreach, at (360) 664-2735, toll free 1-877-601-2828 or e-mail at dellis@pdc.wa.gov.